

I think the minister will agree with me. In fact the minister agreed at committee that we are not treating the municipalities fairly. His argument at that time was that under existing financial restraints the government cannot afford to pay or to stand in the place of a private citizen in municipalities across the country. I will go along with that. With the deficit the government is running and the built-in expenses which now exist, I think people on this side of the House would agree that now is not the time to solve the whole municipal financial problem because of federal government presence in each municipality. That does not mean to say we cannot admit the principle, that we cannot say we will allow ourselves to be subject to provincial assessors and their appeal procedures throughout the provinces if we do not like that kind of thing, that we will include all our property, including urban parks, docks and whatever which we now try to exclude, that we will attempt to be rational in our approach to municipal governments. Then, every year when we redo this act, we will not have the various assessors' associations, cities and municipal organizations coming to the federal government and spending perhaps thousands of dollars preparing briefs. I gather the minister agrees with the contents of them.

As has been said before by speakers in the NDP and other members on this side of the House, I am merely saying that rather than trying to increase, include and carry on the bureaucratic tangle which now exists in the act, we should rationalize it and place ourselves exactly in the position of a taxpayer. We should provide grants equivalent to the level an ordinary taxpayer, if he existed in a certain municipality, would pay. If we cannot afford it now we could phase it in just like the Quebec government has done. It is the only government in Canada which has recognized in a rational manner its obligation as a senior government to pay fair municipal taxes. Federally we should recognize that principle and perhaps phase it in if we cannot afford it now, which I think is true. That is merely the point I wish to make.

It is incumbent upon the House to encourage and support municipal governments. As I said previously at report stage, I do not think any municipality should have to subsidize the operations of federal government. Under the existing act, municipalities subsidize operations of federal government in their municipalities. I challenge anyone to deny that, that we are not paying our fair share of the taxes. We are doing one other thing. We are hiding the true cost of government.

Any department which owns buildings in any municipality and is not paying its fair share of the taxes is not revealing its true cost of government to the Canadian people. I think it is patently ridiculous that this House should support an act which to my mind carries out those two great indiscretions. Those two matters are really unfair. Therefore I appeal to the minister to carry out the undertaking he gave at committee stage to put this into the hands of tax experts in order for them to study the problem, bring it back to committee within a year and if necessary open up the act to rationalize it.

**Hon. Paul J. Cosgrove (Minister of Public Works):** Mr. Speaker, I should like to take this opportunity to thank all hon.

members present for what I perceive to be support for the bill before the House this evening.

Today I asked if I could be given an accurate number of the present members in this Parliament who had been elected to local offices, whether municipal offices or school boards, through the democratic process. I do not have that number, but with the support for this particular bill before Parliament on its third occasion, I can only guess that there must be a large number of people who, as I, have municipal experience and understand that the benefits of this act will be an improvement even though, as many members have indicated, it is not Utopia.

There will be a payment of some additional \$25 million to approximately 2,400 municipalities from coast to coast across Canada. I thank hon. members who are present this evening for that support. In particular I thank my House leader and minister for agreeing to put the bill in this position so that it can be dealt with before the recess. In addition, I thank the House leaders of the parties on the opposite side of the House.

Although I have said that this is a small improvement, nonetheless I should like to draw to the attention of the hon. member that the municipalities have not been "hard done by" by the federal government. Indeed, until 1979 the federal government transferred grants in lieu of taxes in an amount which was greater than the total transfer of all provinces combined. If one considers local, provincial and federal government operations in Canada, with local governments doing much of the work of provincial governments, the federal government has carried its weight. This evening we see that the federal government, with the recognition of the efforts of the party opposite which introduced this bill in the last Parliament, has moved a step further in approving the transfers.

● (2140)

I would ask hon. members to refer to the comments which I made in committee in so far as that study group is concerned. I indicated I would address questions with regard to appeal provisions and ministerial discretion. With regard to the other questions raised this evening, given the opportunity, I will ask my department, which has now become the lead department in the administration of this program, to note all the comments made by all hon. members this evening or at any time which this matter was considered by this Parliament, whether the bill was in committee or in its earlier stages.

**Mr. Nielsen:** Answer the NCC question.

**Mr. Cosgrove:** I will conclude by saying that I believe the government process in Canada works best when it is a co-operative exercise at all government levels—local, provincial and federal. I believe that it is a remarkable gesture on the part of this House to move to recognize the problems of local governments even at a time when this federal government under its jurisdiction is in the process of negotiating a new arrangement with its partners, the provinces.